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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 5, 2012

CERTIFIED RETURN RECEIPT
7011 0110 0001 3568 3414

Jim Runquist
TME Asphalt Ridge LLC
4526 Ridgeview Drive
Eagan Minnesota 55123

Subject: Notice of Non-Renewal of Letter of Credit Number _____; TME Asphalt Ridge LLC, TME Asphalt Ridge #1 Mine, M/047/0089, Uintah County, Utah

Dear Mr. Runquist:

Please review the enclosed notice of non-renewal notification from US Bank indicating letter of credit (LOC) _____ in the amount of \$1,151,713 for the TME Asphalt Ridge #1 mine will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a 90-day notice is given to the Division. These terms have been met; therefore, effective September 5, 2012, the LOC will not be renewed. Paragraph 5 of the reclamation contract says the operator shall provide a replacement surety within 60 days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before August 3, 2012 or the Division will be forced to do any/some of the following:

- Carry out the terms of LOC number _____
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit.
- Issue a cessation order requiring the cessation of all mining operations and the immediate reclamation of all lands affected. A fine will be associated with the cessation order.

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure: Notice of Non-Renewal

Cc: Lenny Boteilho

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